

# A Research in the Euro Crisis

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## Abstract

Recently, we often see news about the crisis in Europe. But we can't understand why this crisis came about with fragmentary information. The purpose of this thesis is to research the crisis in Europe from different aspects.

In 2010, Greece, the Papandreu cabinet announced that the Greek budget was bigger than they published before. The announcement made Greek bond credit drop in the international market. Some pointed out that the Greek tax system, pension, and officer increased the Greek huge budget.

Moreover, there are defects in the whole euro structure. First, the euro zone is not an optimum currency area. The area was too overspread to adjust the economic gap in the zone. Secondly, the leaders of the eurozone, Germany and France accepted poor economic countries, like PIGS, to join the euro, and economic gap arose between euro countries. Especially, Germany would rather enjoy the economic gap than remove it. They gained benefits by exporting to poor productivity countries.

Though Papandreu's announcement was a trigger of the euro crisis, the fundamental causes is the euro economic model. Euro countries economic dependence on each other, and they compensated their fund by rent and debt. Greece's problems are fragmentary problem of euro, but there are invisible defects on the whole euro structure from outside.

# The Economic Significance LCC gives to Japan

Yuto Asada

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## Abstract

I discuss the economic significance that a low cost carrier gives in Japan. Through a study, I reached the conclusion that the prosperity of this LCC goes along with the most important basic thought, "How to distribute the resources which were limited between people without waste efficiently", in an economics study. In the future, as Japanese opening sky policy advances, LCC will compete in the Japanese aviation market one after another. It will intensify the competition among airlines in Japan. Companies will be forced to challenge new businesses to survive in the market. However, it is sure that the intense competition will lead better service to people. In modern society where the demand of people is diversified, I think that the existence of LCC is extremely important in aviation. The development of LCC will contribute as a legitimate response to various aviation services of demand for Japanese consumers, and to make the life of people richer. In the future, the entry of LCC in Japan will keep a competitive environment in the aviation industry, and at the same time, bring advantage to consumers, airports, areas, and the Japan. LCC will change the Japanese sky and bring great merit to Japanese people.

# Electricity Liberalization

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## Abstract

In Japan, we have discussed with electricity liberalization. Most retail sectors except family sector have introduced liberalization; we have a possibility to introduce it into the family sector. The reason why we cannot introduce it soon is unique to electricity. If a demand of electric does not agree with supply, we may cause a large-scale blackout. It is difficult to find a balance between the demand and supply of electricity, and now the general electricity utility controls it all together, so it is easier than one by one. Other countries have already started electricity liberalization from the 1990s. In America most states have introduced electricity liberalization; however after the California electricity crisis happened, this tendency declined. Moreover in Britain, a separation of electrical power production from power distribution and transmission has been introduced. As a result, many retail companies have entered the market and customers can change their utility freely. However, selecting power facilities can cause a short supply, and there is also a concern about the rising wholesaling price in the future. Moreover in Japan, the power and retail section has introduced deregulation by stages. These years PPS is admitted and JEPX is opened and the government carries on this liberalization actively. However, this custom has not spread widely. Also there is concerned about the reserve capacity with the closing of all nuclear power plants by 2040. We must secure supply capability better than carry out electricity liberalization promptly.

# Why the Economic Crisis happened in Europe

Erika Inukai

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## Abstract

The financial crisis happened in 2008, and the economic crisis happened in Europe. Europe tried to make the single monetary union, and experienced some failures. There are three conditions of the optimum currency area. First, all countries in the currency area have the same crisis when the economic confusion happens. Second, the countries in the currency area had the same and symmetric response to the economic crisis. Third, the production factors can move freely and quickly in the currency area. If the countries have the economic barriers, they have to make provisions for it. Europe did not have all the conditions, so the European Central Bank's financial policy did not solve each economic problem which the member of euro area had. They sought the single monetary union and the free movement of the production factors, so it was difficult for the European Union to give up the independent financial country. In fact, the euro area had some problems which caused the economic crisis. After the financial crisis in 2008, the European financial institutions got damages, and European central bank gave them the additional funds. Greece had huge external debts, and it helped Greece's economic growth. But the financial crisis attacked Greece, and Greece's fiscal policy was broken. Some members of the euro area dealt with their economic problems by using their fiscal policy, so they have budget deficits. Additionally, the problems of the financial supervision system and the financial order are the cause of the economic crisis.

# Economics of Disneyland

Tomomi Iwase

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## Abstract

Tokyo Disneyland has been well established as a typical sightseeing resort of Japan. It is a theme park which is the most popular.

Since it opened in 1983, customers have increased in a world of prolonged depression, expanding an enterprise, in addition, still now. Almost all Japanese know its existence and it is an amusement park which is the most popular in Japan. Why are we attracted to Disneyland? Disneyland shows us a kingdom of dream and magic. I investigated how Disney makes such the world and why it charms people. Disneyland is carrying out work that is not only its attractions, but the souvenir shop's exterior and the staff put into practice. This is put into practice, so that it cannot be imitated by other theme parks. The "thoroughness" is the reason for the popularity of Disneyland. Disneyland in Japan was reproduced almost exactly like the Disneyland in California. This is also one of the reasons why Disney is popular. According to the attendance figure ranking of the theme park in the world, Disney's theme parks rank from No.1 to No.8. Disneyland will continue growing as a popular theme park in the world from now on.

# The Research of the Bubble of Real Estate in China

Ryohei Iwatani

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## Abstract

China has maintained high economic growth rates since the policy of economic reforms and openness to the international community. Since the late 1990s, China had maintained about 10 % of economic growth rates. China recovered quickly from the recession caused by the financial crisis in 2008, and is expected to develop even more. High economic growth surely led to economic prosperity and economic expansion. But the occurrence of the real estate bubble is a concern and there are various arguments about the bubble in China. This thesis considers China after the financial crisis in 2008, and examines whether the real estate bubble in China has occurred in terms of fundamentals. If the real estate in China is a bubble, this thesis attempts to find out the state of the bubble in China, the cause of that, and the arguments about the bubble from the point of view of the supporters and the opposition group. In addition, this thesis discusses the effect of the bubble burst in China referring to the Japanese bubble in the 90s as a prior example. Finally, taking from the research mentioned above, the future prospect is discussed.

# Organ Transplantation and Trade

Marie Koshida

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## Abstract

In present time, the gratuitous organ donation is permitted, but the trade with payment for organ is prohibited. A lot of patients wait for transplants worldwide. Some of them receive a transplant with altruistic donation, but many of them have to continue treatments such as dialysis and die every year while they await transplantations. The reason is that the organs for transplantations are in short supply. The altruistic supply of organs has been less than adequate, and severe organ shortages have resulted in lots of patient deaths. It is legal that patients receive organs as donations gratis and hospitals and doctors get monetary rewards by operating for transplants organs in many countries. It is legal to pay for offers of blood and sperm to men, eggs to women, but payments for inner organs themselves such as corneas, kidneys, and liver leafs and for the bereaved family receiving money from any organ extirpated after death, are illegal. If it is accepted that the payments to organs for transplants, that must make it possible to increase the supply of organs and save many patients who die every year and have to continue treatments such as dialysis. However, there are various arguments such as issues of the cost and social ethical problems. In this thesis, I mention about the payment for human organs and these arguments.

# Economics on Devastating Disaster

Mie Osuka

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## Abstract

The devastating earthquake, the Great East Japan Earthquake, occurred at 2:46 p.m. on March 11, 2011, a record breaking day in disaster history. In this thesis, I will mention the economical impact on the disaster areas and how to reconstruct them in terms of macro-economics and micro-economics, concentrating on the role of government.

From the perspective of macro-economics, we place importance on the peculiarity of a great earthquake. From the value of the macro-economic policy, for one of the significant factors, "balance sheet recession" theory which Mr. Richard C. Koo advanced is thought to be related to the existing condition, as far as the government role is concerned. In addition, for other main factors, the influence of multiplier effect is considered still quite important in spite of the electric power restrictions.

In respect of micro-economics, we focus on emergency scarcity. In regards to this, time is restricted the most in a scarce resource for the sake of medical treatment. The problem will not be solved only by leaving all to market dealings.

In conclusion, it is expected that the government shows textbooks of the countermeasures against this devastating disaster, which will attack us again some time. With a keyword "creative revival", the government attempts to build a new system of freeing itself from the old structures and aiming at creation of a new system this time. Without government project, the recovery will be impossible.



# FTA—A Better Choice for East Asia

Tian, Yun

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## Abstract

For a long time, economists have considered trade as a surplus of economic effect. Since the economic growth led by the formation of the EU and NAFTA, the two largest regional economic integrations now in the world, arguments about the establishment of an East Asian FTA have risen up everywhere. The current situation in East Asia indicates that building an ideal integrated market of free trade in East Asia is still a long way to go although trading activities have been rising up in the region. Since the current ability of ASEAN and APEC to promote the establishment of a free trade agreement in East Asia is limited, a new free trade agreement signed by countries including China, Japan, South Korea and ASEAN is expected to happen soon. Although difficulties such as historical and cultural problems, overlapping trade structures and biased income distribution lie ahead, the booming Asian market deserves a brighter future of international economic leadership. At the same time, Asia should positively improve its trading relationship with nonmember countries, and ought to face up to changes in its trade structures and attitudes. However, such changes are not easy and can be accomplished only when all member countries talk with candor and meet differences head-on. Considering the benefits as well as the challenges, there is no denying that the will of a regional trading partnership has been and is expected to keep wielding its influence in Asia.

# The Problem of the Labor Force and the Current Account by Aging

Kanami Yamashiro

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## Abstract

Now Japan the country with the largest aging population percentage in the world. Aging has influenced Japanese society and caused many problems. One of them is the problem of the labor force. In this paper, I am going to focus on the problem from three points of view; women, old people and foreigners. First, it is difficult for women workers to continue to work while raising children in Japan. To increase the labor force of women, it is essential to make an environment in which women can chose how to work flexibly meeting the situation. Second, the employment of old people become more and more popular, but the situation varies in each company. So the government should carry out proper measures to promote the employment considering the condition of each company. Third, acceptance of foreign workers is discussed in Japan, but it is premature. Foreigners are not always effective as a labor force and sometimes cause problems because of the difference of culture. So it is most important to activate a labor force already existent in Japan. Also, aging will cause a deficit of the current account, but it is not necessarily bad. Japan has a lot of assets aimed overseas, so Japanese can spend a long time by using the assets without surplus of the account. Japan should accomplish the measures against the problems by aging while consuming the assets.

# Japan's Agricultural Protection and the TPP

Kazuki Nomura

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## Abstract

As an island nation lacking in natural resources, Japan has highly regarded the value of free trade because its post-WWII economic growth highly depended on imports and free access to foreign markets. However, Japan is somewhat lagging behind in the global trend of Economic Partnership Agreements (EPAs) and Free-Trade Agreements (FTAs). This is because of the Japanese agricultural sector which is strictly protected. Japan maintains comparatively high tariff rates especially on agricultural produce which often become an obstacle in trade negotiations. Meanwhile, on the extension of the EPAs/FTAs, Trans-Pacific Strategic Economic Partnership Agreement (TPP) has emerged. The TPP in comparison to EPAs and FTAs aims to reduce tariff rates to Zero; which would likely to deal a fatal blow to the Japanese agricultural sector. Ever since Kan Naoto, the ex-Prime Minister of Japan had announced its interest in joining the TPP, there have been severe arguments on whether Japan should take part in it or not. For the total welfare of Japan, it is obvious that joining in the TPP is essential. However, this does not mean that we can sacrifice the agricultural sector for another. There could be a way to expand trade with the rest of the world and maintain a self-sustaining agriculture at the same time.